

REMARKS

This Response is submitted in reply to the Non-Final Office Action dated February 7, 2005. Claims 1 to 94 are pending. Claims 1, 23, 30, 33, 37, 47, 68, 74, 77, 84, and 88 to 90 have been amended. No new matter has been added by these amendments.

A Declaration Under 37 C.F.R. 1.132 of Richard J. Windish (with Exhibits A through G), is submitted herewith as discussed below.

A Supplemental Information Disclosure Statement and a Petition for a Two Month Extension of Time to file this Response is submitted herewith. A check in the amount of \$630.00 is submitted herewith to cover the cost of the Supplemental Information Disclosure Statement and the two-month extension. Please charge deposit account number 02-1818 for any insufficiency of payment or credit any overpayment.

The August 8, 2002 Office Action for the present application rejected Claims 1 to 94 in view of U.S. No. 5,832,458 to Jones. Applicants appealed this rejection. On May 19, 2004 The Board of Patent Appeals and Interferences reversed the rejection of Claims 1 to 32 and 37 to 94. The subsequent February 7, 2005 Office Action has again rejected Claims 1 to 32 and 37 to 94 in view of Jones and additional references.

Consistent with the Board's decision, the February 7, 2005 Office Action rejected Claims 33 to 36 under 35 U.S.C. §102(a) as being anticipated by Jones. These claims are cancelled herein to expedite the prosecution of this application and without prejudice or disclaimer. Similar claims will be submitted in a continuation application.

The February 7, 2005 Office Action also rejected:

- (i) Claims 1 to 32, 37 to 76, and 88 to 94 under 35 U.S.C. § 103 (a) as unpatentable over Jones (U.S. 5,832,458) in view of Willman et al. (U.S. 2003/0195806) (hereafter Willman);
- (ii) Claims 77 to 83 under 35 U.S.C. § 103 (a) as unpatentable over Jones in view of Willman and further in view of Sloane (U.S. 5,918,211); and
- (iii) Claims 84 to 87 under 35 U.S.C. § 103 (a) as unpatentable over Jones in view of Sloane.

Applicants respectfully disagree with and traverse these rejections at least for the reasons discussed below. To expedite prosecution of this application, Claims 84 to 87 are being cancelled without prejudice or disclaimer. Similar claims will be submitted in a continuation application. Additionally, as discussed during the interview, the remaining claims have been amended to further clarify the invention in view of the Board's decision.

A. Jones Does Not Expressly or Inherently Disclose, Teach, or Suggest All of the Elements in the Independent Claims and Thus Fails as a Primary Reference.

Jones does not expressly or inherently disclose, teach, or suggest storing the specific predetermined payment values for the trade promotion(s) as in all of the amended claims. The May 19, 2004 Board of Appeals decision interpreted the language "payment term information" present in the appealed claims as follows:

We find that Appellants' use of "payment term information" is properly construed to mean a sub-set of payment information since the use of the word term is used. Therefore, we find that the term "payment term information" is any information but not all information relating to the amount of money owed by the manufacturer to the retailer for the promotion and related payment term information. Thus, information of sales volume can be properly construed to be "payment term information" since sales volume of a promoted product relates to the amount of money owed by the manufacturer to the retailer for the promotion.

(Board of Appeals Decision, Appeal No. 2004-0199, page 11, ¶ 1). The February 7, 2005 Office Action also maintained that the term "payment term information" includes "sales volume of the promoted product."

For clarification, as discussed during the interview, the language "payment term information" has been eliminated from all of the pending claims. Applicants have clarified all of the pending claims to include, among other elements, storing in the independent system or system database the terms of the trade promotion including at least one of a predetermined payment value the manufacturer will owe the retailer for each promoted product sold by the retailer during the trade promotion, and a

predetermined payment value the manufacturer will owe the retailer for conducting the trade promotion. This language clearly does not include information of sales volume of the promoted product. Therefore, this element of the claims is not taught by Jones.

More specifically, Jones states that:

Another use for the present invention lies in the area of temporary price reductions between manufacturers and retailers. Commonly referred to as "trade promotions", this class of promotions involves a manufacturer offering a significant temporary price reduction to the retailer in return for improved merchandising support by the retailers in the form of extra advertisement, in-store display or price reductions. Such deals typically take the form of a contract between the parties specifying what form of price reduction or free goods will be offered in return for what performance or action that the retailer expects to take.

* * *

Manufacturer also negotiates a contract with the retailer for reduced prices or a rebate given specified retailer performance.

(Jones, column 11, lines 21-52). While Jones states that the manufacturer and retailer will enter into a contract for the trade promotion, Jones does not expressly or inherently teach that the Jones system will store at least one of a predetermined payment value the manufacturer will owe the retailer for each promoted product sold by the retailer during the trade promotion, and a predetermined payment value the manufacturer will owe the retailer for conducting the trade promotion. The Jones system does not store and does not suggest storing in its system either of these payment values of the trade promotion contract between a retailer and a manufacturer.

Rather, Jones expressly teaches a different way to address the trade promotion issue. Jones teaches that:

The electronic audit of the trade promotion process, according to the present invention, utilizes the passive collection of actual POS data by item and by transaction to establish a database of performance. By tying the contract to performance, the electronic audit simplifies settlement and provides a clear record to both parties regarding the results of the event.

As before, the manufacturer selects items for price reduction support by class of trade and coordinates a calendar of events which can be supported by available manufacturing capacity. Manufacturers contract to reimburse retailers relative to the sales performance of the selected items (e.g., incremental sales volume relative to a benchmark such as unsupported normal volume or established trend line of sales volume for that retailer/retail chain). The retailer plans promotional events to achieve the desired performance and purchases the desired merchandise quantities based upon the agreed-to price reduction.

The system and method of the present invention electronically audits and tracks the results of the retailer's efforts while monitoring and recording all POS transactions as described earlier. Each transaction record is preferably retained in a history file for a predetermined period of time, perhaps 52 weeks to empirically determine what is the established (normal) sales volume for a particular product for a specified retailer, and independently documents any incremental sales volume increases to support the trade promotion settlement process. Predetermined and customized reports of these incremental sales volume increases, definitively documenting promotional performance on behalf of the retailer, is preferably sent to both the retailer and the manufacturer after each event to support the settlement process. As before, the retailer summarizes the necessary information on promotional support activities, including the report documentation if desired, invoices the manufacturer, and deducts the price discount from checks paid by the retailer to the manufacturer.

(Jones, column 11, lines 61-67, column 12, lines 1-40) (Emphasis added). Jones solution is to monitor the in-store POS system of a retailer, passively capture POS data by item and by transaction which is sent from the individual in-store cash registers to the in-store central system, and to provide the captured POS data to the manufacturers and retailers which then facilitates settlement of the trade promotion. In other words, Jones teaches separately obtaining the consumer-retailer transactions from the in-store cash registers, and then providing that separately obtained data to the manufacturers for settlement. In such a system, the manufacturer has separately obtained a record of the consumer-retailer transactions from the in-store cash registers and does not have to

worry about the retailer changing or manipulating the POS data the retailer collects, or that the retailer is incorrectly interpreting the POS data the retailer collects.

This means that the Jones system only needs an identification of the promoted product to track the transactions including the promoted product and to provide such information to the manufacturers and retailers. The Jones system does not need to capture at least one of a predetermined payment value the manufacturer will owe the retailer for each promoted product sold by the retailer during the trade promotion, and a predetermined payment value the manufacturer will owe the retailer for conducting the trade promotion because that information is irrelevant for the purpose of Jones. Jones does not need this information because Jones acts as an audit system for separate provision and verification of the number of promoted products sold, and as indicated by the Board's May 19, 2004 decision not for determining "the amount of money the manufacturer owes to the retailer for the trade promotion and facilitating the manufacturer's payment."

For at least these reasons, Jones does not expressly or inherently disclose, teach, or suggest storing in the independent system or independent system database at least one of a predetermined payment value the manufacturer will owe the retailer for each promoted product sold by the retailer during the trade promotion, and a predetermined payment value the manufacturer will owe the retailer for conducting the trade promotion. Accordingly, Jones fails as a primary reference with respect to each of presently pending Claims 1 to 32, 37 to 83, and 88 to 94 which are all patentably distinguished over Jones alone and in combination with Willman and/or Sloane.

Additionally, the claims have been amended to clarify that before the start of the trade promotion by the retailer, at least one of a predetermined payment value the manufacturer will owe the retailer for each promoted product sold by the retailer during the trade promotion, and a predetermined payment value the manufacturer will owe the retailer for conducting the trade promotion is stored in the independent system or independent system database. Jones does not expressly or inherently disclose, teach or suggest that before the start of the trade promotion by the retailer, at least one of a predetermined payment value the manufacturer will owe the retailer for each promoted product sold by the retailer during the trade promotion, and a predetermined payment

value the manufacturer will owe the retailer for conducting the trade promotion is stored in the independent system or independent system database. The Jones system does not need these payment values to perform its intended function. Therefore, the Jones system does not capture these payment values, does not store these payment values, and does not use these payment values. Accordingly, Jones can not and does not teach or suggest storing these payment values before the start of the trade promotion by the retailer. Accordingly, for at least this reason, Jones again fails as a primary reference with respect to each of presently pending Claims 1 to 32, 37 to 83, and 88 to 94 which are all patentably distinguished over Jones alone and in combination with Willman and/or Sloane.

Moreover, the claims have been amended to clarify that the independent system processes the promoted product POS data in accordance with at least one of the stored (a) predetermined payment value the manufacturer will owe the retailer for each promoted product sold by the retailer during the trade promotion, and the stored (b) predetermined payment value the manufacturer will owe the retailer for conducting the trade promotion in the independent system operator database to determine an amount of money the manufacturer owes to the retailer for the trade promotion. Since the Board found that Jones fails to teach the independent system determining the amount of money the manufacturer owes to the retailer for the trade promotion and facilitating the manufacturer's payment and the amount of money owed, clearly Jones also fails to teach processing the promoted product POS data in accordance with at least one of the stored (a) predetermined payment value the manufacturer will owe the retailer for each promoted product sold by the retailer during the trade promotion, and the stored (b) predetermined payment value the manufacturer will owe the retailer for conducting the trade promotion in the independent system operator database to determine an amount of money the manufacturer owes to the retailer for the trade promotion. Moreover, the Board found that Jones fails to teach the independent system facilitating the manufacturer's payment of this amount of money owed to the retailer for the trade promotion. Accordingly, for at least this additional reason, Jones again fails as a primary reference with respect to each of presently pending Claims 1 to 32, 37 to 83,

and 88 to 94 which are all patentably distinguished over Jones alone and in combination with Willman and/or Sloane.

Independent Claims 30 and 74 have been amended to clarify that after a start of the trade promotion(s) by the retailer, the method provides the retailer and manufacturer access to the independent system operator database during the conduct of the trade promotions to determine at least a portion of the amount of money the manufacturer will owe the retailer for the trade promotions. For at least the reasons discussed below, Jones clearly does not teach this element.

The Office Action states that Jones discloses:

providing the retailer and manufacturer access to the independent system operator database to independently verify the terms of the trade promotions

(Page 14, ¶ 5). The Office Action alternatively states that Jones discloses:

providing the retailer and manufacturer access to the independent system operator database to determine the amount of money the manufacturer owes the retailer for the trade promotion

(Page 30, ¶ 6). However, Jones only teaches providing the retailer and manufacturer a report after a trade promotion event. (Jones, column 12, lines 20 to 25). Providing a report to a retailer and a manufacturer is not expressly or inherently teaching (a) providing access to a database, and more specifically (b) providing access to a database to allow the determination of at least a portion of an amount of money owed to a retailer during the trade promotion. Thus, Jones does not disclose, teach, or suggest that after a start of the trade promotion by the retailer, the retailer and manufacturer having access to the independent system operator database during the conduct of the trade promotion to determine at least a portion of the amount of money the manufacturer will owe the retailer for the trade promotion. Accordingly, for at least this reason, Jones again fails as a primary reference with respect to presently pending Claims 30 to 32 and 74 to 83 which are all patentably distinguished over Jones alone and in combination with Willman and/or Sloane.

Independent Claims 74 and 90 have been amended to clarify that before the start of the trade promotions by the retailer the retailer and the manufacturer can access the

electronic database of the independent system to determine the stored terms of the trade promotions, wherein the stored terms of the trade promotion (include the predetermined payment values as discussed above). For at least the reasons discussed below, Jones clearly does not teach this element.

The Office Action states that Jones discloses:

providing the retailer and manufacturer access to the independent system operator database to independently verify the terms of the trade promotions

(Page 30, ¶ 6). Jones discloses that manufacturers and retailers can contract for terms of the trade promotion and that sales volume reports are provided to retailers and manufacturers after the end of the trade promotion event. (Jones, column 12, lines 1 to 40). Nowhere does Jones disclose, teach, or suggest providing both the manufacturer and retailer access to the independent system operator database to access the terms of a trade promotion (including the predetermined payment values), let alone the clarified terms of the trade promotion as claimed. Accordingly, for at least this reason, Jones again fails as a primary reference with respect to each of presently pending Claims 74 to 88 and 90 to 94 which are all patentably distinguished over Jones alone and in combination with Willman and/or Sloane.

Independent Claim 90 has also been amended to clarify that before the start of the trade promotion by the retailer, the method enables the retailer to change at least one of the stored terms of the promotion prior to the start of the trade promotion, the method captures any changed terms of the trade promotion and the method stores any changed terms of the trade promotion in the independent system operator database; and before the start of the trade promotion by the retailer, the method enables the retailer and the manufacturer to access the stored terms of the trade promotion stored in the independent system operator database to independently verify the terms of the trade promotion and to determine if the retailer changed the terms of the trade promotion. For at least the reasons discussed below, Jones clearly does not teach these elements.

The Office Action states that Jones discloses:

enabling the retailer and the manufacturer to access the terms of the promotion prior to the start of the trade

promotion, capturing any changed terms of the trade promotion and storing any changed terms of the trade promotion in the independent system operator database.

(Page 35, ¶ 7). However, as discussed above, Jones does not provide any support that at least the specified terms of the trade promotion (including the predetermined payment values) are stored before the start of the trade promotion. If Jones does not capture the original terms of the trade promotion (including the predetermined payment values) before the start of the trade promotion, then Jones logically can not and does not teach capturing additional changes to the terms of the trade promotion. Thus, Jones does not disclose, teach, or suggest before the start of the trade promotion by the retailer, enabling the retailer to change at least one of the stored terms of the promotion prior to the start of the trade promotion, capturing any changed terms of the trade promotion and storing any changed terms of the trade promotion in the independent system operator database; and before the start of the trade promotion by the retailer, enabling the retailer and the manufacturer to access the stored terms of the trade promotion stored in the independent system operator database to independently verify the terms of the trade promotion and to determine if the retailer changed the terms of the trade promotion. Accordingly, for at least this reason, Jones again fails as a primary reference with respect to each of presently pending Claims 90 to 94 which are all patentably distinguished over Jones alone and in combination with Willman and/or Sloane.

B. The February 7, 2005 Office Action Improperly Uses Willman to Add Certain of the Claimed Features Missing in Jones.

As indicated above, Jones teaches providing sale volume reports to the retailers and manufacturers to help them settle the payments owed for the trade promotion and to resolve payment disputes. The function of the Jones system for a trade promotion is complete after the sales volume reports are provided to the manufacturer and retailer. The May 19, 2004 Board decision reversed the prior rejection based on Jones specifically finding that:

we fail to find that Jones teaches the independent system operator to determine the amount of money the manufacturer owes to the retailer for the trade promotion and facilitating the manufacturer's payment and the amount of money owed. Jones clearly teaches that the reports provided are sent to the manufacturer to support the settlement process. However, Jones does not teach that the independent system operator performs this settlement.

(Board of Appeals Decision, Appeal No. 2004-0199, page 14, ¶ 2). (Emphasis added).

Similarly, the February 7, 2005 Office Action acknowledged that:

Jones ... fails to teach to determine an amount of money the manufacturer owes to the retailer for the trade promotion and facilitating the manufacturer's payment of the amount of money owed to the retailer for the trade promotion.

(Page 4, ¶ 3). The February 7, 2005 Office Action relied on Jones in view of Willman to find this functionality not disclosed in Jones.

Willman discloses a coupon distribution system for a manufacturer to provide consumers with targeted coupon promotions. (¶ 0008). More specifically, Willman states that:

[0024] Central server 18 receives and accumulates the purchase data from each of the individual retail servers 16 at 310. The collected data for all of the retail stores are preferably consolidated by specified criteria into a single database and reformatted at 320 for analytical purposes, such that the data are easily accessible by packaged goods manufacturers' marketing personnel or the like, for analysis and determination of the promotional offers and time periods... The data preferably also may convey the total coupons issued by the coupon distribution systems and the total number of issued coupons which are redeemed by consumers... Preferably, the data are merged such that the individual transactions are no longer identifiable, since... manufacturers are only interested in aggregated number or figures, and not in the individual purchase transactions...

[0032] After the promotional offer and time period are submitted to the central server, the central server forwards this information to the retail servers, as discussed above at step 350 or process 300. The retail servers then receive the offer or offers at 240 of the retail server process 200. If the

offer is accepted by the retailers, the coupon offers are communicated to the coupon distribution system for distribution during the promotional period. During the promotional period, consumers may obtain the promotional offers or coupons from one or more coupon distribution systems. Once the coupons are obtained, they are preferably immediately redeemable at the participating stores and may be redeemed at any other time during the redemption period prior to the expiration date. After the promotion period is complete and the coupon issuance data are received by the manufacturer may be invoiced for the number of coupons printed. The manufacturer then may submit payment to the central server host, who then reimburses the retailer for the kiosk participation fee or other participation fees associated with other coupon distribution systems. The retail store submits the redeemed coupons to a clearing house, which then invoices the manufacturer for the redemption value of the coupons and handling fees, as is known in the art.

(Willman, ¶¶ 0024 and 0032). (Emphasis added). The Willman system captures data including “coupon issuance data and/or redemption data and purchase data from the POS device and maybe kiosks.” (¶ 0021). Collected data is sent to a central server for analysis and reporting. The Willman system consolidates the data into an aggregate form and does not include individual transaction information. Manufacturers can access the processed, aggregated data over a network connection. The Willman system only provides manufacturers the ability to use the aggregated data to tailor future coupon promotions to consumers. (¶ 0025 to 0027)

The Office Action incorrectly asserts that Jones in view of Willman discloses the ability for a clearinghouse to invoice the manufacturer “for the redeemed value of the discounts or promotions.” (Office Action, pages 4 to 5, ¶ 3 and 1 respectively). In Willman, a clearinghouse processes redeemed coupons, then invoices the manufacturer for the value of the coupons “as is known in the art”. (Willman, ¶ 32). The clearinghouse disclosed by Willman is separate from the electronic coupon distribution system. (Willman, ¶ 32). Willman is silent on further coupon processing. If Willman discloses that coupon redemption must be handled by a clearinghouse and is silent on further redemption processing, then the Willman electronic coupon distribution system

patentably distinguished over Jones in view of Willman and/or in combination with Sloane.

C. Adding Willman to Jones Also Destroys the Intended Purpose of Jones.

The Board recognized that: "Jones clearly teaches that the reports provided are sent to the manufacturer to support the settlement process. However, Jones does not teach that the independent system operator performs this settlement." (Decision on Appeal, Appeal No. 2204-0199, May 4, 2004, page 14). The Jones system provides a third-party report of the number of promoted products sold to allow the manufacturer and the retailer to settle the trade promotion. The Jones system still requires the retailer to invoice the manufacturer for the trade promotions. If there is a dispute, the retailer and manufacturer can look to the third-party report to verify the invoice deductions. The intended purpose of Jones is thus to provide third party reports which allow the manufacturer and the retailer to resolve their disputes, not to facilitate payment of the amounts owed by the manufacturer to the retailer.

Adding Willman to Jones in the manner suggested by the office action effectively destroys this intended purpose of Jones because the manufacturer would no longer be analyzing the invoices provided by the retailer to make the payments to the retailer and would no longer use the Jones reports to resolve disputes regarding the invoice deduction received from the retailer.

Moreover, adding Willman to Jones in the manner suggested by the office action effectively destroys the entire intended purpose of Jones. The Office Action uses Willman's central computer system to handle: "the electronic flow of invoices, statements, reconciliation and fund transfers between manufacturers and retailers." (Office Action, page 5). Willman is directed to a coupon distribution system that uses a computer system to track POS transactions for specifically targeted consumer coupons. Willman discloses handling manufacturer payments in conjunction with expenditures related to the kiosk use, coupons printed at a kiosk, and other marketing analysis services. (Willman, ¶ 34). Willman does not deviate from known methods of processing redeemed coupons for invoice deductions. Willman expressly states that "the retail

would not handle any subsequent process related to coupon redemption. Without a system at least for coupon redemption, Willman could not suggest a system to process subsequent trade promotion redemptions. Therefore, Willman is absent any express or implied disclosure, teaching, or suggestion that a clearinghouse processes captured data according to the terms of the trade promotion. Accordingly, the combination of Jones in view of Willman does not disclose, teach, or suggest an independent system operator determining an amount money a manufacturer owes to a retailer in accordance with at least the specified terms (including the predetermined payment values as discussed above).

Applicants also assert that the combination of Jones in view of Willman does not disclose, teach, or suggest an independent system operator facilitating the manufacturer's payment of the amount of money owed to the retailer for the trade promotion. The Board stated that "we fail to find that Jones teaches... facilitating the manufacturer's payment and the amount of money owed." (Board of Appeals Decision, Appeal No. 2004-0199, page 14, ¶ 2). The Office Action agrees and looks to Willman to disclose the missing features. Again, Applicants respectfully submit that Willman was used improperly and does not teach the claimed features. Willman discloses a third-party, different than the clearinghouse, receiving payments from a manufacturer. The third-party payment transactions disclosed by Willman are used by manufacturers only in connection with coupon printing and analysis services. Willman's promotion redemption is handled separately through a manual redemption system "as is known in the art," and not with the coupon distribution system. Willman cannot be construed as facilitating a manufacturer's payment for a trade promotion redemption at least because a clear distinction exists between coupon distribution and the promotion redemption. Therefore, the combination of Jones in view of Willman does not disclose, teach, or suggest facilitating a manufacturer's payment of an amount of money owed to a retailer for the trade promotion (based on the stored predetermined payment values as discussed above).

For at least these additional reasons, the rejections using the combination of Jones in view of Willman are improper and Claims 1 to 32, 37 to 83, and 88 to 94 are all

store submits the redeemed coupons to a clearinghouse, which then invoices the manufacturer for the redemption value of the coupons and handling fees, as is known in the art." (Willman, ¶ 34). Willman does not provide any additional details on how to handle promotion redemption. Thus, Willman does not provide an audit tracking system or a third-party record of the POS transactions for promotion redemption. Using Willman to modify Jones would suggest that Jones abandon the electronic audit tracking system, and not provide a third-party transaction record to resolve trade promotion deduction disputes. Adding the promotion redemption features in Willman to Jones would destroy the intended purpose of Jones because it would suggest that Jones return to a redemption process as is known in the art, lacking an electronic audit tracking system and a third-party transaction record.

For at least these reasons stated above, the rejections using the combination of Jones in view of Willman are improper and Claims 1 to 32, 37 to 83, and 88 to 94 are all patentably distinguished over Jones in view of Willman and/or in combination with Sloane.

D. The Office Action Additionally Does Not Provide the Necessary Motivation to Combine Willman with Jones.

It is impermissible to use the claims as an instruction manual or template to piece together the teachings of the prior art to render a claimed invention obvious. *Sensonics, Inc. v. Aerasonic Corp.*, 81 F.3d 1566, 1570, 38 U.S.P.Q.2d 1551, 1554 (Fed. Cir. 1996). "Virtually all [inventions] are combinations of old elements." *In re Rouffet*, 149 F.3d 1350, 1357, 47 U.S.P.Q.2d 1453, 1457. An Examiner may often find every element of a claimed invention in the prior art. However, if "merely identifying each claimed element in the prior art was sufficient to negate patentability, very few patents would ever issue." *Id.* Rejecting patent claims solely by finding "prior art corollaries" for the claimed elements permits an examiner to use the claimed invention itself as a blueprint for piecing elements in the prior art together. *Id.* To defeat the patentability of a patent application in this manner is inappropriate. Therefore, the Patent Office must show the "reasons that the skilled artisan, confronted with the same problems as the

inventor and with no knowledge of the claimed invention, would select the elements from the cited prior art" and combine those elements in the same manner as the claimed invention. *Id.*

It is respectfully submitted that Jones and Willman do not include a general or specific motivation, suggestion or teaching for combining Jones with Willman as set forth in the Office Action.

A person of ordinary skill in the art would not be motivated to combine these references to achieve the claimed invention where there is no teaching or suggestion in either reference to make such combinations.

The Office Action does not state any proper legal reason why a person of ordinary skill in the art would be motivated to combine Jones and Willman. The Office Action states that it "would have been obvious to a person of ordinary skill in the art at the time the application was made, to know that Jones would use Willman's clearinghouse to electronically audits and tracks the results of the retailer's efforts while monitoring and recording POS transactions." (page 5, lines 2 to 6). This is improperly using the present invention as a blueprint for piecing together the prior art.

Moreover, this presumes that the clearinghouse was capable of handling the "reconciliation, fund transfer" for a "more prompt and accurate settlement" of trade promotions. (Office Action, page 5, ¶ 1). As explained above, the system proposed by either Jones or Willman does not disclose facilitating payment for a trade promotion. Willman discloses facilitating payment for kiosk or coupon distribution system usage, not for coupon redemption. The reconciliation or fund transfer process that Willman discloses for promotion redemption uses a clearinghouse "as is known in the art." The features that Willman discloses, which are actually related to promotion redemption, suggest using an old process for redemption rather than incorporating the new features from the coupon distribution system. Therefore, there is no motivation to modify Jones to use Willman's electronic coupon selection and generation system at least because Willman did not even make the critical connection that the collected POS data would be useful in the promotion redemption process. For at least these additional reasons, the rejections using the combination of Jones in view of Willman are improper and Claims 1

to 32, 37 to 83, and 88 to 94 are all patentably distinguished over Jones in view of Willman and also in combination with Sloane.

E. Sloane Does Not Teach or Suggest the Features Missing in Jones or Alternatively Jones in View of Willman.

Sloane is related to a system and method for promoting products and influencing consumer purchasing decisions. The system in Sloane uses an in-store portable bar code scanner in communication with a retailer's computer. (Sloane, column 3, lines 2 to 3). The system operates by allowing a consumer to scan any product at a retail store, using the portable scanner. (Sloane, column 3, lines 5 to 30). For any item scanned, the bar code scanner will alert the consumer to the product price, any promotion offered with the product, or a promotion for a competing product. The portable scanner also keeps a running tally of any product a consumer has selected and scanned. Sloane's portable scanner effectively gives a consumer automatic discounts, credits, rewards, and promotions for any purchased product. (Sloane, column 3, lines 60 to 67).

Sloane does not expressly or inherently disclose that before a start of the trade promotion an independent system captures and stores terms of the trade promotion. Sloane also does not expressly or inherently disclose that the terms of a trade promotion include at least promoted product identification, and at least one of a predetermined payment value the manufacturer will owe the retailer for each promoted product sold by the retailer during the trade promotion, and a predetermined payment value the manufacturer will owe the retailer for conducting the trade promotion. For at least these reasons, the rejections using combination of Jones in view of Sloane and Jones in view Willman and further in view of Sloane are improper. Claims 77 to 83 are patentably distinguished over Jones in view of Sloane and Jones in view Willman and further in view of Sloane.

F. Jones Alone and in Combination with Willman and/or Sloane Do Not Render the Claimed Invention Obvious in View of the Attached Declaration.

A declaration under 37 C.F.R. § 1.132 with Exhibits A to G is submitted herewith. This declaration and more importantly the Exhibits indicate that the invention of each of the presently pending claims satisfies at least a 10 year old long-felt need that was not solved by others. Objective evidence of long-felt need is relevant to the issue of obviousness according to the MPEP § 716.01(a) which states that:

Affidavits or declarations>, when timely presented,< containing evidence of criticality or unexpected results, commercial success, **long-felt but unsolved needs**, failure of others, skepticism of experts, etc., **must be considered by the examiner in determining the issue of obviousness of claims for patentability under 35 U.S.C. 103**. The Court of Appeals for the Federal Circuit stated in *Stratoflex, Inc. v. Aeroquip Corp.*, 713 F.2d 1530, 1538, 218 USPQ 871, 879 (Fed. Cir. 1983) that “evidence rising out of the so-called ‘secondary considerations’ must always when present be considered en route to a determination of obviousness.” (MPEP § 716.01(a)) (Emphasis added).

Additionally, the MPEP requires the examiner to reconsider patentability with new evidence:

When an applicant >timely< submits evidence traversing a rejection, the **examiner must reconsider the patentability of the claimed invention**. The ultimate determination of patentability must be based on consideration of the entire record, by a preponderance of evidence, with due consideration to the persuasiveness of any arguments and any secondary evidence. *In re Oetiker*, 977 F.2d 1443, 24 USPQ2d 1443 (Fed. Cir. 1992). (MPEP § 716.01(d)) (Emphasis added).

Accordingly, the Examiner must reconsider the patentability of the claimed invention in view of this newly submitted timely and objective evidence of long-felt need.

As set forth in the attached declaration, efficient and effective trade promotion administration systems and methods did not exist prior to the invention of Claims 1 to 32, 37 to 83, and 88 to 94. For example, the 1993 ECR industry survey demonstrates that, among other problems, the trade promotion industry suffered trade promotion administration problems. For years following the 1993 ECR study, the various additional reports explained in the declaration continued to highlight problems with trade promotion efficiency and effectiveness. The reports of continued problems with efficiency and effectiveness in trade promotion are objective evidence of the unavailability of a tenable solution for trade promotion administration. These reports also illustrate that others in the industry tried without success to solve this problem. The

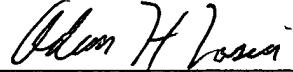
present invention solved this problem. In light of the foregoing objective evidence, Applicants respectfully submit that the present claims are not obvious in light of the prior art of record. For at least these reasons, the rejections using the combination of Jones in view of Sloane and Jones in view Willman and further in view of Sloane are improper. Claims 1 to 32, 37 to 83, and 88 to 94 are all patentably distinguished over Jones in view of Sloane and Jones in view Willman and further in view of Sloane.

For all of the reasons provided above, Applicant respectfully requests the rejections be withdrawn, and Applicant submits that Claims 1 to 32, 37 to 83, and 88 to 94 are in condition for allowance.

An earnest endeavor has been made to place this application in condition for formal allowance and in the absence of more pertinent art such action is courteously solicited. If the Examiner has any questions regarding this Response, Applicant respectfully requests that the Examiner contact the undersigned to discuss this Response.

Respectfully submitted,

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